BIOPHARMADIVE

DIVE BRIEF

AstraZeneca retires Medimmune name amid sales turnaround

Published Feb. 14, 2019

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Dive Brief:

- After 30 years of drug development, MedImmune will cease to exist as an industry name now that owner AstraZeneca has decided to retire the brand as part of ongoing restructuring efforts.
- The decision comes a little more than a month after AstraZeneca announced organizational changes meant to bolster its R&D and commercial efforts. Such changes include an R&D shake-up that will establish two departments focused on specific therapeutic areas. A biopharmaceuticals unit will develop cardiovascular, respiratory, and renal and metabolism drugs while an oncology unit will advance cancer therapies.
- Founded in 1988 under another name, MedImmune established itself over the next 15 years alongside Genentech and Genzyme as a leading biotech, producing drugs like RespiGam, Synagis and FluMist. AstraZeneca bought MedImmune in 2007 for $15.6 billion and quickly combined it with another one of the U.K. pharma's acquired companies to create a biologics R&D arm. Currently, MedImmune has 120 ongoing research projects and product candidates, accounting for nearly half of AstraZeneca's R&D portfolio.

Dive Insight:

AstraZeneca has struggled over the last few years to deliver the same level of growth as its pharma peers, hurt by lapsing patents that protected key brands like the cholesterol drug Crestor (rosuvastatin).

Last year, however, marked the first full year of product sales growth since 2014, with sales up 4% over 2017, according to fourth quarter earnings presented Thursday. AstraZeneca predicts high single-digit percentage growth in 2019 — a rosy forecast that helped buoy shares in the pharma up a sizable 9% in Thursday morning trading.

But the U.K. drugmaker still has its work cut out for it. Looking to better allocate resources, AstraZeneca has been restructuring its business to support key growth areas like oncology and respiratory disease. Simultaneously, the company has also been selling off non-core assets at a rapid clip.

Thursday's disclosure about MedImmune is the latest step in that restructuring effort.

The decision is noteworthy, given the role MedImmune played in the growth of the biotech sector and its contributions to AstraZeneca's pipeline. The U.K. pharma said MedImmune's external collaborations and partnerships will continue after retirement of the name.

Other large pharma acquirers of storied biotechs have held on to the recognizable brands, with Genentech and Genzyme the most notable (bought by Roche and Sanofi, respectively).

AstraZeneca noted in a Feb. 14 statement that "while the MedImmune name and logo will no longer be used, a proud legacy of scientific innovation remains, as does the entrepreneurial culture that MedImmune has stood for over its 30-year history."

Despite those accolades, AstraZeneca has also fielded criticism in the past from investors and analysts who argued the pharma paid

too much for MedImmune and got too few blockbusters in return.

Yet several MedImmune-developed drugs will be key to AstraZeneca's return to growth, including the PD-L1 inhibitor Imfinzi (durvalumab) and the asthma therapy Fasenra (benralizumab).

AstraZeneca recorded $633 million in Imfinzi sales for 2018, and now expects peak U.S. sales of at least $1 billion. Fasenra, meanwhile, fetched $297 million over the course of last year.

Other drugs likely to see growth over the next 12 months include Tagrisso (osimertinib) and Lynparza (olaparib), which each doubled in sales in 2018.